



THE SPECIAL INSPECTOR GENERAL FOR IRAQ RECONSTRUCTION FUNDING PROVISION IN THE NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 2007

Background:

The Special Inspector General for Iraq Reconstruction (SIGIR) was originally chartered as the Inspector General of the Coalition Provisional Authority (CPA-IG) in the Emergency Supplemental Appropriations Act for Defense And Reconstruction in Iraq and Afghanistan for Fiscal Year 2004 (P.L. 108-106). Its term was due to expire six months after the authorities and duties of the CPA ceased to exist (June 28, 2004), leaving the CPA-IG's termination date at December 28, 2004. The FY05 National Defense Authorization Act included a provision that re-designated the CPA-IG as the SIGIR. The provision established a termination date for the SIGIR 10 months after 80% of the Iraq Reconstruction and Relief Funds (IRRF) funds have been obligated. Subsequently, the 2006 Foreign Operations, Export Financing, and Related Programs Appropriations Act modified the SIGIR termination clause to base it upon the level of IRRF expenditures, instead of obligations. Currently, about 75% of the funds have been expended with the 80% point due to be reached at the end of the 2006 calendar year. The 10-month point would have been reached around October 2007. As of October 30, 2006, 88% of projects have been completed and only 4% are left to start. The need for SIGIR's oversight is significantly lessened as U.S government-funded reconstruction efforts wind down.

The original Senate Armed Services Committee (SASC) version of the SIGIR provision, allowed SIGIR oversight of FY2006 supplemental funds to be used for reconstruction, amounting to approximately \$1.6 billion. House Armed Services Committee (HASC) staff agreed to the expansion of SIGIR's authority, but proposed date certain language to ensure a smooth transition to the Inspectors General of the Departments of State and Defense. This transition will guarantee a continuation of uninterrupted auditing after SIGIR's term expires. SIGIR will now terminate on October 1, 2007, which is about the same time it would have previously expired but with a precise date and a three-month transition period to December 31, 2007 to facilitate the hand-off. SASC Majority and Minority concurred with a date certain to end the SIGIR's mandate early in the Conference process (late July).

**House Armed Services Committee Communications Office
Duncan Hunter, Chairman**